

# 2008-2009 PERFORMANCE PLAN – Sr. Portfolio Manager / Fixed Income (W. Trepeta)

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## Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
30%	CalPERS Domestic Fixed Income (FI), Internal	Net of Fees, excess return in basis points relative to: Domestic Fixed Income (FI), Internal – CalPERS Custom LEH LPF {SW4KA1 – CALCCLP2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5
25%	CalPERS Internal Sovereign	Net of Fees, excess return in basis points relative to: Internal Sovereign – CalPERS Sov {SW1F – CALSOVE2}	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5
5%	CalPERS Internal Governments	Net of Fees, excess return in basis points relative to: Internal Governments – CalPERS Custom Government {SW1H – CALCTI2}	0 basis points = 0 +20 basis points = 1.0 +30 basis points = 1.5
3%	Other Managed Fixed Income Funds	Net of Fees, excess return in basis points relative to: <ul style="list-style-type: none"> <li>(1%) CalPERS U.S. Government TIPS Fund – Lehman U.S. TIPS Index {SKA1 – CALTIPS2}</li> <li>(1%) Lehman Aggregate U.S. Government – Lehman Aggregate Government {SKA8 – X22D}</li> <li>(1%) CalPERS Inflation-Linked Bond Fund – Lehman Custom Inflation-Linked Bond Index {SWGN – CPERLTPI}</li> </ul>	0 basis points = 0 +10 basis points = 1.0 +15 basis points = 1.5  0 basis points annualized = 0 +20 basis points annualized = 1.0 +30 basis points annualized = 1.5  0 basis points = 0 +5 basis points = 1.0 +8 basis points = 1.5
5%	Active International Fixed Income Managers	Net of Fees, excess returns in basis points relative to: Aggregate of the International Fixed Income Managers – CalPERS World Govt X US {SJDCA1 – CALWGXU2}	0 basis points = 0 +40 basis points = 1.0 +60 basis points = 1.5

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## Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
5%	Internal Passive Currency Overlay Management	Net of Fees, return in basis points relative to: Passive currency overlay portfolio – PERS PARETO CCR {SW5PB – YET2}	-50 basis points = 0 -30 basis points = 1.0 -20 basis points = 1.5
2%	Pilot Internal Active Currency Overlay Management	Implement and manage to Net of Fees, return in basis points relative to: Active currency overlay portfolio – PERS PARETO CCR {SWEZB – YET2}	0 basis points = 0 +30 basis points = 1.0 +45 basis points = 1.5
10%	CalPERS Total Fund Performance	Net of Fees, excess return in basis points relative to Total Fund Performance Benchmark. Comp-PERS Total Fund All Portfolios – CalPERS Policy Index (Daily) {SJ1CA1 – CPERSTO2}	-40 basis points = 0 0 basis points = 1.0 +20 basis points = 1.5
85%	Subtotal	Quantitative Measures	

## Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	<i>Human Resources staff is working with the Interim Chief Investment Officer to develop the qualitative leadership performance measures which will be presented for second reading.</i>	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	